

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1247 - SB 1151**

February 20, 2023

**SUMMARY OF BILL:** Prohibits an illegal alien from being housed on real property owned by the state or a political subdivision of the state.

**FISCAL IMPACT:**

**Increase State Expenditures – \$1,337,600/FY23-24 and Subsequent Years**

**Other Fiscal Impact – Passage of the proposed legislation could result in the loss of federal funds to the Department of Education. It may also result in significant monetary penalties on the Department of Mental Health and Substance Abuse Services' Regional Mental Health Institutes.**

**Assumptions:**

- Based on information provided by the Department of Education (DOE), the proposed legislation could jeopardize the department's entire federal funding stream of approximately \$1,293,583,239 in FY23-24 and subsequent years due to potential violations of federal law.
- According to DOE, the potential violations would result from denying undocumented students access to the Tennessee School for the Deaf and the Tennessee School for the Blind, both of which offer residential options. Guidance from the United States Department of Education specifies that provisions of the Individuals with Disabilities Education Act apply to a student regardless of immigration status. Any effort to deny students admission to the residential program at these schools could be seen as a violation and result in withholding the annual funds.
- Based on information provided by the Department of Mental Health and Substance Abuse Services (DMHSAS), passage of the proposed legislation would put DMHSAS in conflict with the Emergency Medical Treatment and Labor Act, which ensures that all patients, regardless of citizenship or immigration status, have access to emergency medical treatment.
- Potential violations would arise if and when the department's Regional Mental Health Institutes (RMHIs) denies emergency in-patient care to an individual based on immigration status. As a result of any such violation, the United States Department of Health and Human Services could impose monetary penalties on the hospitals up to \$50,000 per violation.

**HB 1247 - SB 1151**

- In addition, in order to comply with the requirements of the proposed legislation, RMHIs would need to screen each potential patient for immigration status prior to admittance. According to the department, the RMHIs do not currently have adequate personnel to do this.
- Based on 2022 admissions and evaluations data, the RMHIs would require 20 additional Patient Accounts Specialist 2 positions, one for each shift at each of the four RMHI's plus another two at each RMHI to cover weekends, holidays, and leaves.
- The increase in state expenditures is estimated to be \$1,333,120 (\$846,000 salary + \$287,120 benefits + \$200,000 operational expenses) in FY23-24 and subsequent years.
- In addition, the RMHIs will need to utilize the SAVE electronic immigration status verification system to run a check on each potential patient. The SAVE system requires a \$25/month subscription fee, plus between \$0.50 - \$1.50 per initial verification. Based on 2022 admissions and evaluations data, this would result in an increase in state expenditures estimated to be at least \$4,500 in FY23-24 and subsequent years.
- The total increase in state expenditures to DMHSAS is estimated to be \$1,337,620 (\$1,333,120 positions + \$4,500 SAVE) in FY23-24 and subsequent years.
- Based on information provided by the Department of Children's Services (DCS), the proposed legislation is not estimated to result in a significant fiscal impact to the department, but could disrupt operations and placement of undocumented children who are dependent and neglected. DCS states the department is typically in custody of approximately 200 undocumented children.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jj